

Residential Property Markets in New York, Dubai, London, and Hong Kong

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RESIDENTIAL PROPERTY MARKETS IN NEW YORK, DUBAI, LONDON, AND HONG KONG

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Goals

To obtain the annual rental and annual sales of residential homes in New York City, Dubai, London, and Hong Kong for 2019 or most recent available data. This information will inform a market research report for a proptech company.

Findings

Annual Sales in the New York City Residential Property Market

- According to the latest quarterly report from the [Real Estate Board of New York's \(REBNY\)](#), in quarter 1 of 2020, the total residential sales volume was [\\$8.7 billion](#), decreasing [16%](#) year-over-year, from [\\$10.5 billion](#). This represents the lowest total since Q1, 2014, which was [\\$8.3 billion](#).
- Residential transactions were [8,702](#) a reduction of [16%](#) year-over-year, from [10,382](#) sales.
- All 5 boroughs in the city experienced a decline in residential sales volume, specifically: Staten Island declined by [49%](#), Manhattan by [25%](#), the Bronx by [12%](#), Queens by [9%](#), and Brooklyn by [3%](#).

Insights on Rentals in the New York City Residential Property Market

- There were [4,583,849](#) occupied rental units in New York in 2018, making up [43%](#) of the occupied housing units in the city.
- There were [206,043](#) units available for rent in 2018.
- [44%](#) of all rental units are rent-stabilized, where rent increases are set on an annual bases by the Rent Guidelines Board of New York City.
- [1%](#) of the total number of rental units is rent-controlled units.
- The median rental price in New York City is about [\\$3,000](#) per month for one-bedroom apartments and studios, while two-bedroom apartments are about [\\$3,800](#) per month.

Summary of Findings

In this first hour of research, we were able to find the figures for sales in the residential property market in New York, and provided insights on rentals in the city include those

occupied, vacant and the median rent per month.



Residential Property Markets in New York, Dubai, London, and Hong Kong

Dubai

The total amount realized from sales of residential properties in Dubai in 2018 was about AED48.84 billion (\$13.30 billion) in 2018. The total income from housing rentals (apartments and villas) in Dubai was about AED56.2 billion (\$15.3 billion). The findings and calculations have been provided below.

Annual Sales

- According to a 2019 report by the Dubai Land Department (DLD), real estate transactions in Dubai were valued at about [AED223 billion in 2018](#), with almost [53,000](#) transactions in total. Residential property transactions represented [61% \(33,000\)](#) of all real estate transactions in Dubai that year. The total value of transactions for residential properties exceeded [AED48 billion in 2018](#).
- DLD reported that transactions for residential properties represented about [11%](#) of the total transaction value of [AED223 billion](#) in 2018. DLD defines transactions as Sales, Mortgages, and 'Others.'
- There were a total [of 34,000 sales and 14,000 mortgage](#) transactions in Dubai's property market in 2018. However, the value of mortgage transactions was higher ([AED120 billion](#)) than that of sales transactions ([AED74 billion](#)). Other transactions accounted for the remaining [AED29 billion](#).
- DLD further reported that residential properties sales represented [66%](#) of the total sales in 2018, compared to about [32%](#) for commercial properties.
- Therefore, total sales value for residential properties in Dubai in 2018 would be [66% of AED74 billion](#) = AED48.84 billion (\$13.30 billion).
- This is a [2019 Sales Report](#) by DLD that provides a breakdown of all the sales transactions for commercial, residential, and other properties, as well as their transaction values. While there were reports by resources such as [Fam Properties](#), [Property Monitor](#), Deloitte ([2019](#) and [2020](#)), the annual report by [DLD providing 2018](#) statistics was the most recent available complete data set.

Annual Rent Revenue

- According to the Dubai Statistics Center, there were a total of [542,604 apartments and 120,545 villas](#) in Dubai in 2019. Valustrat estimated that the residential occupancy rate in Dubai stood at [86% in 2019](#).
- Calculated, the number of occupied apartments and villas in Dubai in 2019 was about 466,639 (86% X 542,604) and 103,669 (86% X 120,545), respectively, in 2019.
- According to Valustrat, the average annual apartment rent in Dubai was [AED74,373 and AED70,548](#) in the [first and third quarters 2019](#), respectively, bringing the average to AED72,460.50. Therefore, the total income from apartment rentals in Dubai would be $AED72,460.50 \times 466,639 = AED33,812,895,259.5 = AED33.8$ billion (\$9.2 billion).
- According to Valustrat, the average annual villa rent in Dubai was [AED221,202 and AED210,454](#) in the [first and third quarters 2019](#), respectively, bringing the average to AED215,828. Therefore, the total income from villa rentals in Dubai would be $AED215,828 \times 103,669 = AED22,374,672,932 = AED22.4$ billion (\$6.1 billion).
- Based on the above figures, the total income from housing rentals in Dubai would be $AED33.8$ billion + $AED22.4$ billion = $AED56.2$ billion (\$15.3 billion). While there are no statistics for other housing units such as Arabic-style housing and single rooms, this is a viable estimate for the entire market because villas and apartments represent about [96%](#) of the total housing units in Dubai.

London

While there was no readily available data on the annual rental and annual sales of residential homes/property in London, the research team calculated estimates based on the publicly available data sets. The estimated annual sales values of residential homes in London ranged between £45 billion (\$57.53 billion) and £54.97 billion (\$70.03 billion) in 2019. The annual rent value of residential homes in London was estimated at about £42.42 billion (\$54.02 billion) in 2018 and £53.95 billion (\$68.70 billion) in 2019.

Annual Sales Estimate I

- According to [Home.co.uk](#), the volume of housing units sold in London by type from January through December 2019 was as follows:
 - Detached: [1,713](#)
 - Semi-detached: [6,089](#)
 - Terraced: [17,450](#)
 - Flats: [41,983](#)

- Home.co.uk, reports "[three-month](#) moving averages by property type in London." Values are provided for each month from January through December. The average price by property type was calculated by summing up all the monthly averages and dividing the total by 12. A summary is provided below:

- Detached: $\text{£}18,462,917/12 = \text{£}1,538,576.42$
- Semi-detached: $\text{£}10,146,301/12 = \text{£}845,525.08$
- Terraced: $\text{£}9,436,046/12 = \text{£}786,337.17$
- Flats: $\text{£}9,565,942/12 = \text{£}797,161.83$

- The total annual sales of housing units by property types was calculated by multiplying the number of housing units sold in each category by the respective average price. Then the total was determined by adding up the totals as shown below:

- Detached: $\text{£}1,538,576.42 \times 1,713 = \text{£}2,635,581,401.75$
- Semi-detached: $\text{£}845,525.08 \times 6,089 = \text{£}5,148,402,232.42$
- Terraced: $\text{£}786,337.17 \times 17,450 = \text{£}13,721,583,558.33$
- Flats: $\text{£}797,161.83 \times 41,983 = \text{£}33,467,245,248.89$
- Total: $\text{£}54,972,812,441.39$ (\$70,029,865,769.09)

Annual Sales Estimate II

- According to Plumplot, there were about [71,500](#) residential property sales in London in 2019 distributed as follows:

- Detached: [3,600](#)
- Semi-detached: [10,700](#)
- Terraced: [20,100](#)
- Flats: [37,000](#)

- According to [Zoopla](#), the average sales price of residential property in London in 2019 was as follows:

- Detached: [£1,078,379](#)
- Semi-detached: [£719,264](#)
- Terraced: [£738,573](#)
- Flats: [£506,827](#)

- The total annual sales of housing units by property types was calculated by multiplying the

number of housing units sold in each category by the respective average price. Then the total was determined by adding up the totals as shown below:

- Detached: [£1,078,379](#) X [3,600](#) = £3,882,164,400
- Semi-detached: [£719,264](#) X [10,700](#) = £7,696,124,800
- Terraced: [£738,573](#) X [20,100](#) = £14,845,317,300
- Flats: [£506,827](#) X [37,000](#) = £18,752,599,000
- Total: £45,176,205,500 (\$57,527,651,140.93)

Annual Rent Revenue

2018

- According to a 2018 CNN report, over [62%](#) of people in London own their own homes, and about [26% \(2.4 million people\)](#) are private renters. The average monthly rent cost in London was [£1,473](#), or about £17,676 per year. This would bring the total annual rent paid in London in 2018 to £42,422,400,000 (\$54,023,653,728).

2019

- According to more recent CBRE estimates, private renters accounted for about [30%](#) of households in London in 2019, equating to about [2.7 million](#) renters. Mordor Intelligence estimated the average rent in London to be about [£1,665](#) per month, or £19,980 per year. This would bring the total annual rent paid in London in 2019 to £53,946,000,000 (\$68,698,612,620).

Research Strategy

The research team searched extensively for readily-available data on the London residential real estate market. However, most reports were focused on the sales values and volumes for the larger English and U.K. markets. The research team then elected to use the available data sets to triangulate estimates for the sales transaction values. Unfortunately, the available data sets varied because they were from different sources. Therefore, we calculated higher and lower values to provide an approximate range for the annual sales. We have also calculated the annual rental transactional values for 2018 and 2019.

Hong Kong

The annual sales value of residential homes in Hong Kong was about HK\$548.79 billion

(\$70.80 billion) in 2019. The annual rental revenue from public rental housing (PRH) units in Hong Kong was about HK\$20.72 billion (\$2.67 billion). There was not enough information to determine the total rental revenue in Hong Kong.

Annual Sales

- According to the Ratings and Valuation Department (RVD), the residential price index in Hong Kong went up by [5.31% in 2019](#). When inflation-adjusted, the prices for residential properties in Hong Kong increased by [2.38%](#) year-over-year in 2019.
- RVD reported that transaction volume for residential property in Hong Kong increased by [0.6% to reach 57,606 units](#), but sales values dropped by about [1.9%](#).
- Sales in Hong Kong's residential primary market rose by [21%](#) year-over-year to [18,917 units](#), and the total transaction values gained by [3.7%](#) to reach [HK\\$227.6 billion](#).
- In Hong Kong's secondary market, transaction volume and values fell [7% and 5.5%](#), respectively. There were [38,689 units](#) sold in the secondary market in 2019, raking in about [HK\\$321.19 billion](#).
- The total annual sales value for Hong Kong's residential property would be the sum of the transaction values in the primary ([HK\\$227.6 billion](#)) and secondary ([HK\\$321.19 billion](#)) markets = HK\$548.79 billion (\$70.80 billion)

Annual Rent

- According to the Hong Kong [Transport and Housing Bureau](#), the Hong Kong residential rental real estate market is made up of private rental units and government-owned public rental housing (PRH) units. Rent rates for PRH units are regulated by the Hong Kong Housing Authority (HKHA).
- There are about [834,200 PRH housing units](#) in the [first quarter of 2020](#) costing about [HK\\$2,070](#) on average per month, or [HK\\$24,840](#) annually. Therefore, the total amount of rent collected from PRH units per year in 2020 would be about HK\$20,721,528,000 (HK\$24,840 X 834,200).
- According to Hong Kong government statistics, monthly rent rates for private residential housing in Hong Kong varied by neighborhood with units in Hong Kong Island, Kowloon, and the New Territories costing about [HK\\$455 \(\\$58.70\)](#), [HK\\$354 \(\\$45.67\)](#), and [HK\\$268 \(\\$34.57\)](#) per m², respectively. Private residential housing includes villas, flats, housing blocks, and other stone structures.
- According to Global Property Guide, monthly rent prices for apartments smaller than [40m²](#), [40-69.9m²](#), [70-99.9m²](#), [100-159.9m²](#), and over [160m²](#) averaged [HK\\$472 \(\\$61\)](#), [HK\\$428 \(\\$55\)](#), [HK\\$431 \(\\$56\)](#), [HK\\$435 \(\\$56\)](#), and [HK\\$405 \(\\$52\)](#) per m², respectively, in December

2019. All apartment sizes experienced plummeting rent prices as of December 2019.

Research Strategy

It was not possible to calculate the total rental revenue in Hong Kong because it is a very segmented market with a [growing number](#) of small housing units, which makes calculation or tabulation difficult. Perhaps this is the reason why the data on the private residential market is limited to rent estimates per square meters. Also, Hong Kong's valuation system is quite different from the systems in London and Dubai, especially because rental prices are based on the size of the residence in square meters rather than in the number of bedrooms. Despite searching thoroughly through media reports, industry reports, market research reports, statistics resources, and government databases, it was not possible to find any useful data sets such as the total area (in square meters/feet) of the market. We also could not find the total number of privately-owned rented apartments. Therefore, the research team could not calculate a viable estimate.

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